



585 Pine Street • Burlington, VT 05401-4891
802/658-0300 • 802/865-7386 (TTY/Voice) • Fax: 802/865-7400

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Via E-mail and U.S. Mail

Phillip Giudice, Commissioner
Massachusetts Department of Energy Resources
100 Cambridge Street
Suite 1020
Boston, MA 02114

Subject: Renewable Portfolio Standards Class 1 Comments

Dear Commissioner Giudice:

Burlington Electric Department (BED) has several comments on the Class 1 Renewable Portfolio Standards. BED is a municipal electric utility that operates the largest biomass generating station in New England. BED currently gets 2/3 of their power supply from renewable sources, and has a goal to get 100% from renewable plants. As a municipally owned non profit organization, BED's first priority is the benefit of their ratepayers.

Our comments on the Class 1 Standards are as follows:

Alternative Compliance Payment (ACP)

There appears to be no justification to reduce the value of the ACP from the current methodology. The costs of equipment, construction, fuel and permitting has been increasing at an alarming rate. Permitting requirements alone have seriously threatened the ability to site new biomass plants in the region. In the interest in maintaining consistency and regulatory predictability, we recommend that DER maintain the current criteria for the ACP value for Class 1.

New or Modified Criteria

Currently, the biomass eligibility guidelines require that biomass plants maintain low nitrogen oxides (NOx) and particulate (PM) emissions. It also requires that biomass plants maintain Carbon Monoxide emissions of less than 200 ppm as a surrogate to indicate PM levels are being met. Most existing biomass plants cannot meet this CO limit, and in actual practice the CO



emissions are not a good indication of PM emissions. Continuing the CO surrogate requirement, will require existing biomass plants to install and operate CO catalyst systems at great expense. Even if CO emissions were an indication of PM emissions, removing the CO catalyst after they are produced would negate any possible value for that purpose.

BED recommends that DER/DEP require an annual particulate testing program and Compliance Assurance Monitoring (CAM) program for plants wishing to qualify for Class 1. This is a more representative measure of PM emissions and commonly used in many states for air emission compliance. The CAM program could stipulate minimum power levels and collecting fields in service based on test data to ensure limits are met.

Vintage Waiver Requirement

It is clear in the Green Communities Act that the intent was to keep the vintage waiver provisions in Class 1. The second sentence of Section 11F(c) reads:

"For the purposes of this subsection, a Class 1 renewable energy generating source is one that began commercial operation after December 31, 1997, or represents the new increase from incremental new generating capacity after December 31, 1997 at an existing facility."

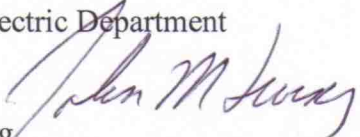
To change the criteria on Class 1 at this date would jeopardize the regulatory predictability and credibility of the RPS. There are very few facilities that have the potential to benefit from the vintage waiver, so the impact of retaining it would not be significant.

In summary: BED recommends that:

- The criteria for Class 1 ACP remain as it is presently
- The CO limit for PM compliance be replaced by annual testing and a Compliance Assurance Monitoring program
- The vintage waiver remain in effect for Class 1

Respectfully submitted,

Burlington Electric Department


John M. Irving
Manager of Power Supply
Burlington Electric Department
585 Pine Street
Burlington, VT 05401
802-865-7482